

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 7280**  
**BILL NUMBER: SB 519**

**DATE PREPARED:** Jan 12, 1999  
**BILL AMENDED:**

**SUBJECT:** Alternative education programs.

**FISCAL ANALYST:** Mark Goodpaster  
**PHONE NUMBER:** 232-9852

**FUNDS AFFECTED:** ☒ **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State

STATE IMPACT	FY 1999	FY 2000	FY 2001
State Revenues			
State Expenditures		15,000,000	
Net Increase (Decrease)		(15,000,000)	

**Summary of Legislation:** This bill has the following provisions: (A) It amends the definition of alternative education program. (B) It provides that governing bodies of school corporations may establish joint programs. (C) It allows an entity other than a school corporation to manage or operate an alternative education program on behalf of a school corporation. (D) It removes the requirement that a grant for an alternative education program be reviewed by the budget committee. (E) It repeals the definition of program organizer for alternative education programs, and makes corresponding changes to related statutes. (F) It appropriates \$15,000,000 from the State General Fund to the Department of Education for its use in providing alternative education grants during the 1999-2001 biennium.

**Effective Date:** July 1, 1999.

**Explanation of State Expenditures:** The General Assembly appropriated \$15 million for Alternative Education for FY 1997 - 99 biennium. Passage of this bill would not change the appropriation but could allow more school corporations to qualify for funding. DOE reports the following information for alternative programs: In the 1997-98 school year, 96 school corporations have operated 206 programs with a Full Time Equivalent (FTE) of 6,523. For the 1998-99 school year, 124 school corporations report operating 234 alternative programs. The estimated FTE for the 1998-99 school year is 9,184.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** Provision C would allow certain school corporations to receive funding for alternative schools that currently do not qualify for funding. Under current law, school corporations which contract with outside entities to provide alternative school services are not eligible for funding. These school corporations would be eligible for this funding if this provision is included in statute. Currently at least three school corporations have contracted with an outside source and would qualify the alternative education grant.

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Education.

**Local Agencies Affected:** School corporations.

**Information Sources:** Barbara Lucas, Department of Education.